

AMIZ Strategy Brief



ASSOCIATION OF MICROFINANCE
INSTITUTIONS OF ZAMBIA
'Towards a strong and viable microfinance sector'

Background

AMIZ was established as a network organisation for the microfinance industry in Zambia.

This was part of a World Bank led Action Research Project whose aim was to promote best practices in a then nascent microfinance industry in Zambia.

The network was established to spearhead, among others:

- Information collection & dissemination,
- Advocacy for microfinance in as far as supportive policies were concerned,
- Capacity building for the industry, &
- Standards

These issues still remain relevant today perhaps with even more significance in light of the ever changing operating environment.

Strategic goals

✓ **Mission**

To facilitate & support the business of member microfinance institutions (MFIs) & represent them in the best way possible.

✓ **Vision**

To see the development of a microfinance industry that can contribute to economic development and poverty reduction.

✓ **Objectives of AMIZ**

- i. To collect, analyse & disseminate information on microfinance
- ii. To advocate for the microfinance industry through stakeholder engagements
- iii. To create awareness on microfinance in different stakeholders
- iv. To facilitate training for MFI staff

Objectives ...*cont'd.*

- v. To facilitate training for AMIZ staff to build institutional capacity
- vi. To develop and promote standards for the microfinance industry
- vii. To encourage lateral learning among MFIs
- viii. To promote benchmarking among MFIs whereby smaller institutions can learn from older mature institutions
- ix. To learn from other network organisations in the region & beyond what their successes are that could be adapted to the Zambian situation

AMIZ Strategy

4 Strategic Pillars:

- Information dissemination
- Advocacy
- Training
- Standards

1. Information dissemination

1. To members

- Collect industry data from members, analyse, package & share
 - ❖ Data to be collected under confidentiality pacts
 - ❖ Publish data quarterly
- Share information on developments in the operating environment & acknowledge good policies & engage to address bad policies.
- Share information on technology/innovation local and foreign to inform industry.
- Share local success stories.

Information dissemination ... cont'd.

2. To the public

- Regulators, development agencies, investors, government – share industry data. Such information will show the impact of microfinance on local economies thereby increasing appreciation for microfinance.
- General public – awareness creation on financial literacy/ education, success stories through: radio, roadshows, exhibitions, leaflets, fliers, posters, web site, social media. An informed public will be a good partner in the development of microfinance.

2. Advocacy

- Constantly scan operating environment for positives and negatives in the legal, policy and regulatory spaces and proactively engage industry on steps to take.

Good experiences have been gained in the past with work done on interest rate caps, microfinance classification & provisioning rules.

- Be a platform for industry advocacy/lobby engagements in an objective way and build consensus on issues in order to move the financial inclusion agenda forward.

3. Training

Skills training remains important for institutional development therefore AMIZ will support generic training that benefits all members.

AMIZ has worked with renowned capacity building organisations: ADA & Microfact (Belgium); University of Frankfurt's School of Finance and Management (Germany), and these linkages are important especially with regard to developing local training capacity. In this regard during 2020 AMIZ will be working with Microfact on a ToT to develop local trainers in Microfinance Performance Evaluation. This will result in certification of local trainers.

4. Standards

AMIZ wishes to promote industry standards that address the following:

- Transparency & disclosure on cost of borrowing
- Responsible lending practices
- Responsible collection practices
- Use of credit bureaus by MFIs
- Financial performance that leads to sustainability
- Social performance that leads to positive impact on customers, &
- A code of conduct for the microfinance industry, among others.

Partners



Bank of Zambia

